



## Northstar Care for Children

### Issue:

- Child foster care, Relative Custody Assistance and Adoption Assistance have become increasingly unequal in the level of benefits to support children in out-of-home care compared to the level for those who are in permanent legal families through adoption or legal guardianship with relatives.
- Currently, the financial incentives across the three programs are inconsistent, with family foster care — a temporary setting — typically providing higher levels of financial support than Adoption Assistance for adoptive families or Relative Custody Assistance for caregivers who offer permanent homes for children.
- This disparity is a barrier to permanency for children, resulting in many children remaining in long-term foster care. These children are more likely to experience homelessness or have involvement in the criminal justice system.

### Proposal:

- The governor's budget proposal consolidates and simplifies administration of three existing programs, Adoption Assistance, Relative Custody Assistance and family foster care, into a single program to support permanency for children for new placements, effective Jan. 1, 2015. This proposal levels rates to create equality across the programs.
- This new program, Northstar Care for Children, will provide a basic monthly payment based on children's age.
- All children would go through a uniform assessment to determine their needs beyond the basic payment level.
- Children under age 6 would receive a lower benefit, reflecting the fact that they are more likely to be adopted or obtain a relative custodian than children age 6 and older, and the disparity in payments is not a barrier for these younger children.
- Children in all three existing programs would be grandfathered under current programs unless specifically transitioned into Northstar Care for Children.

### Impact:

- Most children will receive an increased basic benefit under Northstar Care for Children.
- Implementation of Northstar Care for Children will reduce the number of children in out-of-home care; reduce the length of stay in out-of-home care; and increase the percentage of children adopted within 24 months of entry into foster care.

### Number of people affected

The universe of children that will eventually be affected, once Northstar Care is fully phased in, is:

- 2,003 children to receive Relative Custody Assistance as of January 2015
- 6,418 children to receive Adoption Assistance as of January 2015
- 7,679 children were in family foster care sometime during 2011.

**Fiscal impact:**

- FY 2014: \$554,000
- FY 2015: \$2.01 million
- FY 2016: \$4.99 million
- FY 2017: \$8.24 million

**Related information:**

- Minnesota Management & Budget's website: <http://www.mmb.state.mn.us/>
- DHS adoption fact sheet: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-4746-ENG>
- DHS foster care fact sheet: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-4760-ENG>

*DHS Communications: March 2013*